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January 5, 2026

As we share our FY25 audited financial statements, I am pleased to share exciting news about our progress in achieving our Strategic Plan through expansion, growth, and innovation, delivering new programs aimed at the long-term economic mobility of low-income people in our communities. As many of you are aware, approximately four years ago JobTrain embarked on a mission to expand our physical presence through construction of a new facility in East Palo Alto. However, given commercial real estate market conditions in the Bay Area, the economics of constructing a new facility became unsustainable. Therefore, in Fiscal 2025 we made the difficult decision to abandon our plans to construct a new facility in favor of exploring acquisition of an existing facility nearby.

#### Strategic Advisory Committee

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**Russell Pyne**, Managing Director Atrium Capital

**John Sobrato**, Chairman Sobrato Companies

**Tara VanDerveer**, Former Women's Head Basketball Coach, Stanford

I'm extremely happy to report that in October 2025 we closed on the acquisition of a 10,000 square foot facility at 1010 O'Brien Drive. This facility will become JobTrain's new Career Training and Education Center, making it possible to enter the project's second phase, renovating our current building to become the new Center for Economic Mobility. This marks a new chapter in JobTrain's growth and fulfillment of our expanded vision.

One of the consequences of abandoning our plans to construct a new facility was that we were required to write off the preconstruction costs incurred during the multi-year planning phase, costs which had been capitalized in fixed assets as required by GAAP. These costs consisted of architectural, engineering, and entitlement fees, totaling \$1.9 million. This one-time expense is classified as a "Loss on Disposal" in the Statement of Activities for Fiscal 2025.

Despite the challenges, JobTrain is continuing to expand our geographic footprint and build new programs for the long-term economic success of our communities. We are poised for a strong FY2026 and remain optimistic about JobTrain's future success.

Sincerely,

Barrie Hathaway  
President and CEO

#### President & CEO

Barrie R. Hathaway

Fully Accredited by



**Audited Financial Statements  
and Supplementary Information**



**June 30, 2025**

**Quigley & Miron**

**JobTrain, Inc.**  
**Audited Financial Statements and Supplementary Information**  
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**June 30, 2025**

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## Independent Auditor's Report

Board of Directors  
**JobTrain, Inc.**  
Menlo Park, California

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of JobTrain, Inc., a nonprofit organization (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state, and local awards, and the supplementary information required by the California Governor's Office of Emergency Services (Cal OES) and the California Department of Education (CDE) are presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Cal OES, and CDE and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued report dated December 12, 2025, on our consideration of the Organization's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

**Report on Summarized Comparative Information**

We have previously audited JobTrain, Inc.'s June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 16, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the restated audited financial statements from which it has been derived.

Campbell, California  
December 12, 2025

*Zwigley & Nixon*

**JobTrain, Inc.**  
**Statement of Financial Position**  
**June 30, 2025**  
**(with comparative totals for 2024)**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,880,841	\$ 5,212,183
Investments—Note 3	5,135,969	6,773,249
Government grants receivable	464,608	574,093
Contracts receivable	127,085	
Pledges receivable	577,800	1,201,748
Prepaid expenses and other assets	24,906	50,031
	<b>Total Current Assets</b>	<b>11,211,209</b>
	<b>13,811,304</b>	
<b>Noncurrent Assets</b>		
Fixed assets, net—Note 4	1,709,265	2,372,520
Operating lease right-of-use asset—Note 6	95,058	138,564
	<b>Total Noncurrent Assets</b>	<b>1,804,323</b>
	<b>2,511,084</b>	
	<b>Total Assets</b>	<b>\$ 13,015,532</b>
	<b>\$ 16,322,388</b>	
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 176,476	\$ 329,967
Accrued compensation and related liabilities	672,000	607,935
Deferred revenue—Note 5	70,820	710,873
Finance lease obligation, current portion—Note 6	69,468	56,898
Operating lease liability, current portion—Note 6	50,177	103,564
	<b>Total Current Liabilities</b>	<b>1,038,941</b>
	<b>1,809,237</b>	
<b>Noncurrent Liabilities—Note 6</b>		
Finance lease obligation, noncurrent portion	217,031	
Operating lease liability, noncurrent portion	56,243	49,372
	<b>Total Noncurrent Liabilities</b>	<b>273,274</b>
	<b>49,372</b>	
	<b>Total Liabilities</b>	<b>1,312,215</b>
	<b>1,858,609</b>	
<b>Net Assets—Note 9</b>		
Without donor restrictions	6,356,075	8,498,008
With donor restrictions	5,347,242	5,965,771
	<b>Total Net Assets</b>	<b>11,703,317</b>
	<b>14,463,779</b>	
	<b>Total Liabilities and Net Assets</b>	<b>\$ 13,015,532</b>
	<b>\$ 16,322,388</b>	

See notes to financial statements.

**JobTrain, Inc.**  
**Statement of Activities**  
**Year Ended June 30, 2025**  
 (with summarized comparative totals for 2024)

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>2025 Total</b>	<b>2024 Total</b>
<b>Operating Activities</b>				
<b>Public Support and Revenue</b>				
Contributions				
Government grants	\$ 3,889,685	\$ 3,889,685	\$ 3,889,685	\$ 5,824,864
Foundation/corporate contributions	610,700	3,739,359	4,350,059	2,778,460
Individual contributions	1,098,073		1,098,073	814,964
In-kind contributions—Note 11	128,279		128,279	122,670
Special events				
Gross revenue	397,211		397,211	474,848
Less cost of direct benefits to donors	(215,097)		(215,097)	(206,488)
<b>Special Events, Net</b>	<b>182,114</b>		<b>182,114</b>	<b>268,360</b>
<b>Total Support</b>	<b>5,908,851</b>	<b>3,739,359</b>	<b>9,648,210</b>	<b>9,809,318</b>
Interest and dividend income	329,466	73,530	402,996	439,950
Contract service income	428,292		428,292	417,960
Miscellaneous income	37,942		37,942	4,800
<b>Total Revenue</b>	<b>795,700</b>	<b>73,530</b>	<b>869,230</b>	<b>862,710</b>
Net assets released from restrictions	4,557,787	(4,557,787)		
<b>Total Public Support and Revenue, and Releases from Restrictions</b>	<b>11,262,338</b>	<b>(744,898)</b>	<b>10,517,440</b>	<b>10,672,028</b>
<b>Expenses</b>				
Program services	9,974,123		9,974,123	8,801,893
Supporting services				
Management and general	521,994		521,994	565,546
Fund development	1,100,951		1,100,951	796,201
<b>Total Expenses</b>	<b>11,597,068</b>		<b>11,597,068</b>	<b>10,163,640</b>
<b>Change in Net Assets from Operating Activities</b>	<b>(334,730)</b>	<b>(744,898)</b>	<b>(1,079,628)</b>	<b>508,388</b>
<b>Nonoperating Activities</b>				
Investment return, net—Note 3	101,214	126,369	227,583	216,491
Loss on disposal—Note 3	(1,908,417)		(1,908,417)	
<b>Total Nonoperating Activities</b>	<b>(1,807,203)</b>	<b>126,369</b>	<b>(1,680,834)</b>	<b>216,491</b>
<b>Change in Net Assets</b>	<b>(2,141,933)</b>	<b>(618,529)</b>	<b>(2,760,462)</b>	<b>724,879</b>
<b>Net Assets at Beginning of Year</b>	<b>8,498,008</b>	<b>5,965,771</b>	<b>14,463,779</b>	<b>13,738,900</b>
<b>Net Assets at End of Year</b>	<b>\$ 6,356,075</b>	<b>\$ 5,347,242</b>	<b>\$ 11,703,317</b>	<b>\$ 14,463,779</b>

See notes to financial statements.

**JobTrain, Inc.**  
**Statement of Functional Expenses**  
**Year Ended June 30, 2025**  
 (with summarized comparative totals for 2024)

	Program Services			Supporting Services				2025 Totals	2024 Totals
	Educational and Related Services	Child Development Center	Total Program Services	Management and General	Fundraising	Special Events	Total Supporting Services		
	\$	\$	\$	\$	\$	\$	\$		
Salaries	\$ 5,257,464	\$ 417,566	\$ 5,675,030	\$ 104,331	\$ 666,758	\$	\$ 771,089	\$ 6,446,119	\$ 5,666,777
Employee benefits	1,157,167	104,623	1,261,790	6,091	138,635		144,726	1,406,516	1,201,558
Payroll taxes	446,402	35,466	481,868	3,671	56,441		60,112	541,980	478,912
<b>Total Personnel Expenses</b>	<b>6,861,033</b>	<b>557,655</b>	<b>7,418,688</b>	<b>114,093</b>	<b>861,834</b>		<b>975,927</b>	<b>8,394,615</b>	<b>7,347,247</b>
Advertising	20,452		20,452		15,923		15,923	36,375	34,403
Client expenses	242,813	26,087	268,900		40			268,940	81,216
Client training	537,633	1,544	539,177	55,731	219			595,127	648,898
Cost of direct benefits to donors						215,097	215,097	215,097	206,488
Depreciation	64,996	13,028	78,024	5,450	13,823			19,273	92,781
Equipment rental and maintenance	281,421	7,000	288,421	1,027	3,372			4,399	292,820
Insurance	80,528	9,612	90,140		7,486			7,486	97,626
Interest expense	4,250	946	5,196	9,771	706			10,477	105,084
Miscellaneous expenses	21,478	774	22,252	62,129	4,794			66,923	89,175
Occupancy	140,149	3,093	143,242	5,392	3,064			8,456	66,063
Postage and mailing expense	290		290	226	29			255	151,698
Professional services				57,522				545	134,721
Staff training and travel	40,230	2,118	42,348	24,265	2,464			26,729	270
Supplies and services	644,886	82,691	727,577	75,764	138,106			69,077	54,384
Taxes, licenses and fees	73,982	8,813	82,795	96,591	16,701			213,870	79,909
Utilities	210,974	35,647	246,621	14,033	32,390			941,447	784,532
								113,292	120,882
								46,423	293,044
<b>Total Expenses by Function</b>	<b>9,225,115</b>	<b>749,008</b>	<b>9,974,123</b>	<b>521,994</b>	<b>1,100,951</b>	<b>215,097</b>	<b>1,838,042</b>	<b>11,812,165</b>	<b>10,370,128</b>
Less expenses included with revenues on the statement of activities									
Less cost of direct benefits to donors						(215,097)	(215,097)	(215,097)	(206,488)
<b>Total Expenses</b>	<b>\$ 9,225,115</b>	<b>\$ 749,008</b>	<b>\$ 9,974,123</b>	<b>\$ 521,994</b>	<b>\$ 1,100,951</b>	<b>\$</b>	<b>\$ 1,622,945</b>	<b>\$ 11,597,068</b>	<b>\$ 10,163,640</b>

See notes to financial statements.

**JobTrain, Inc.**  
**Statement of Cash Flows**  
**Year Ended June 30, 2025**  
 (with comparative totals for 2024)

	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (2,760,462)	\$ 724,879
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	97,297	92,781
Non-cash lease expense	(3,010)	14,372
Forgiveness of note payable		(300,000)
Realized and unrealized gains on investments	(227,583)	(216,491)
Loss on disposal	1,908,417	
Changes in operating assets and liabilities:		
Government grants receivable	109,485	102,533
Contracts receivable	(127,085)	
Pledges receivable	623,948	382,052
Prepaid expenses and other assets	25,125	(16,937)
Accounts payable	(153,491)	(9,272)
Accrued compensation and related liabilities	64,065	46,880
Deferred revenue	(640,053)	(2,519,079)
	<b>Net Cash Used in Operating Activities</b>	<b>(1,083,347)</b>
	<b>Net Cash Used in Operating Activities</b>	<b>(1,083,347)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(13,359,274)	(13,686,559)
Proceeds from sale of investments	15,224,137	14,275,188
Purchases of fixed assets	(1,342,459)	(196,321)
	<b>Net Cash Provided by Investing Activities</b>	<b>522,404</b>
	<b>Net Cash Provided by Investing Activities</b>	<b>392,308</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from finance lease	229,601	(53,592)
	<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>229,601</b>
	<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(53,592)</b>
	<b>Decrease in Cash and Cash Equivalents</b>	<b>(331,342)</b>
	<b>Decrease in Cash and Cash Equivalents</b>	<b>(1,359,566)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>5,212,183</b>	<b>6,571,749</b>
	<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 4,880,841</b>
	<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 5,212,183</b>
<b>Supplementary Disclosures</b>		
Income taxes paid	<b>\$</b>	<b>\$</b>
Interest paid	<b><u>15,673</u></b>	<b><u>13,280</u></b>

See notes to financial statements.

**JobTrain, Inc.**  
**Notes to Financial Statements**  
**June 30, 2025**  
**(with comparative totals for 2024)**

**Note 1—Organization and Summary of Significant Accounting Policies**

**Organization**—JobTrain, Inc. (Organization) provides job-training services primarily in San Mateo and Santa Clara Counties for adults and educational programs for the care of children outside of their homes. The Organization is both publicly and privately funded, receiving programs and contracts from federal and state agencies, and funds from both private donations and nonsubsidized fees. The purpose of the Organization is to provide economic opportunity to under-privileged persons through both life skills and vocational training. The Organization is an educational resource established to conduct job training and placement for the purpose of assisting people to attain skills and techniques which will enable them to improve their economic conditions.

The Organization's program services include the following:

**Educational and Related Services**—This includes job training and placement services programs for adults and youth. These programs offer everything from full-time vocational training to afterschool classes, summer internships, General Education Development (GED) preparation, English as a Second Language (ESL), and lifetime job placement for trainees.

**Child Development Centers**—This program offers care and education for preschoolers at the Organization's state-licensed Child Development Centers. The Organization's highly experienced staff uses High/Scope and Montessori techniques to nurture and stimulate the children's development.

**Financial Statement Presentation**—The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts of the Organization. The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

**Net assets without donor restrictions**—Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions**—Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; such restrictions that may or will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Generally, the donors of such assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a time restriction expires or a purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

**Measure of Operations**—The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of the Organization's community, housing, and advocacy support programs and services for women, children, and families; and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

**Income Taxes**—The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), from California income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes is included in the financial statements.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered '*more likely than not*' to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at June 30, 2025 or 2024. Generally, the Organization's information returns remain open for examination for a period of three (federal) or four (state of California) years from the date of filing.

**Cash and Cash Equivalents**—For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

**Investments**—Investments in securities are initially recorded at cost on the trade date, if purchased, or at fair market value, if received as a contribution. Subsequent to acquisition, investments in securities are reported at fair value. Investment income and realized and unrealized gains and losses, net of investment management fees, are reported as unrestricted income unless use of the earnings is restricted by the donor. Interest and dividends earned on investments is recognized when received and reported as interest and dividend income under public support and revenue in the statement of activities. Gains and losses on investments are recognized as changes in their fair market values occur in the period reported and are reported on the statement of activities under the investment return, net caption.

**Recently Adopted Accounting Standards**—In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326)*, which requires organizations to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This standard replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The new guidance affects organizations that hold financial assets and net investments in leases that are not accounted for at fair value with changes in fair value reported in net income, including loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The Organization adopted ASU No. 2016-13 on a retrospective basis for the year ended June 30, 2024 with no resulting impact on the financial statement presentation.

**Government Grants Receivable**—Government grants receivable represents unconditional grants from government agencies not collected as of June 30, 2025 and 2024. The Organization has determined that no allowance for potential losses due to uncollectable government grants receivable was necessary at June 30, 2025 and 2024 as all such receivables are considered to be fully collectible.

**Contracts Receivable**—Contracts receivable consists primarily of amounts due from contracted revenue services is stated at the amount that management expects to collect from outstanding balances. Contracts receivable are written off when they are determined to be uncollectible. Management believes that accounts receivable as of June 30, 2025 and 2024 are fully collectible, and the Organization has therefore not recorded an allowance for credit losses.

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

**Pledges Receivable**—Pledges receivable represents unconditional promises to give from corporations, foundations and individuals as of June 30, 2025 and 2024. The carrying amounts for pledges receivable reported in the statement of financial position approximate fair values, as all amounts are expected to be received or paid within one year, and management has determined that no allowance for potential losses due to uncollectible pledges receivable was necessary at June 30, 2025 and 2024 as all such receivables are considered to be fully collectible.

**Concentrations of Credit Risk**—Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments in securities, and receivables.

The Organization places its cash and cash equivalents with high credit quality financial institutions where the funds are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. Cash held in investment accounts at securities brokerage firms are insured by the Securities Investors Protection Corporation (SIPC) up to \$250,000 and the investments in securities are insured up to \$500,000, per institution. SIPC insurance protects the custody function of the investment custodian; it does not provide protection against fluctuations in market value. While the Organization is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf, the Organization's management has assessed the credit risk associated with its cash deposits and investments at June 30, 2025 and 2024 and believes it is not exposed to any significant credit risk with its cash and cash equivalents and investments.

Receivables consist of balances due from individuals, local foundations, corporations, government agencies, and contract services. The credit risk in receivables from government agencies is mitigated by the fact that the Organization has had long standing relationships with the government agencies with no collectability issues. The credit risk in pledges receivable is mitigated by the fact that generally the pledges are made by local donors and are evaluated by the Organization based on the knowledge of the donors. It is the Organization's opinion that it is not exposed to any significant credit risks from government grants or pledges receivable.

**Fixed Assets**—Fixed assets are stated at cost or estimated fair market value at date of gift, and depreciated using the straight-line method over the estimated useful lives of five to twenty-five years. Amounts over \$5,000 are capitalized when such amounts are determined to benefit future periods. Leasehold improvements are amortized using the straight-line method over the lesser of the assets' estimated useful lives or the term of the applicable lease.

The California Department of Education (CDE) retains a reversionary interest in certain assets purchased with CDE funds. Title to such assets vests with the Organization only for the period of time during which the Organization has a contract with the CDE.

**Contributions**—Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

**Contracts with Customers**—Accounting standards require an organization to recognize revenue arising from contracts with customers at the time the customer obtains control of a contracted goods or service. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

**Government Grants**—The Organization receives government grants that are based on expenses incurred or a fixed rate once services are performed. The grants become unconditional and recognized as contributions when the corresponding service has been provided according to the agreement and expenses incurred, subject to the grant limit, if any. Under fixed rate grants, the Organization agrees to provide certain services in specified quantities at a prescribed rate per unit of service provided. Certain grants have provisions for annual settlements to provide for recovery of costs for service capacity required to be provided, but not utilized, and for repayment of amounts billed in excess of contract limits. Estimated settlements are accrued by the Organization as a grant receivable or grant payable for contracts for which cost reports have not been finalized.

**In-Kind Contributions**—The Organization records the value of donated materials and services at their fair value at the date of donation. In-kind services are recorded only if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In-kind contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Legacies and Bequests**—Legacies and bequests may be received by the Organization under various wills and trust agreements. The amounts are recorded upon legal validation.

**Special Events**—The Organization conducts special fundraising events in which a portion of the gross proceeds paid by the participants represents payment for the direct cost of benefits received by the participants at the event. The Organization values such benefits at the actual cost. Special event income is recognized when such income is received.

**Functional Expenses**—The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted. Allocable costs are allocated to departments by full time employee (FTE) count ratio for each department. The allocation is updated every quarter, based on the ratio for that quarter. Allocable costs are generally overhead expenses: utilities, insurance, some office supplies, space related costs, communications costs, equipment rentals, etc. that are common to all programs. Costs that benefit various programs/grants in a department are further allocated to the various programs/grants using the direct salary costs for and/or client enrollment for the program/grant.

Charging of costs will be determined on the basis of whether that expense is a direct cost or indirect (allocable) cost. Direct cost expenses will be charged directly to the grant or project and specific cost category. Once that determination is made the expense will be coded and recorded in the accounting system. Charging of allocable costs must be determined on whether the expense benefits multiple grants or projects. Once the determination is made on which program(s) received the benefit, then the expense will be coded accordingly and recorded in the accounting system.

**Advertising**—Advertising costs are expensed as incurred and amounted to \$36,375 and \$34,403 for the years ended June 30, 2025 and 2024, respectively.

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 1—Organization and Summary of Significant Accounting Policies—Continued**

Use of Estimates—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Totals for 2024—The accompanying financial statements include certain prior-year summarized comparative financial information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's audited financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Reconciliation of CDE and GAAP Expense Reporting—The supplementary *Statement of Activities* and basic financial statements present financial data in conformity with GAAP. The other supplementary financial data presented in the audit, including data in the *Schedule of Expenditures by State Categories*, present expenditures according to CDE reporting requirements. However, reporting differences arise because CDE contract funds must be expended during the contract period (usually one year). For example, program amounts that are capitalized and depreciated over multiple years under GAAP are expensed in the contract period under CDE requirements. To address such reporting differences, the audit report includes a *Reconciliation of CDE and GAAP Expense Reporting*.

**Note 2—Availability and Liquidity**

The Organization's goal is generally to maintain financial assets to meet at least 90 days of general operating expenses. The following represents the availability and liquidity of the Organization's financial assets at June 30, 2025 and 2024 to cover operating expenses for the next fiscal year:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 4,880,841	\$ 5,212,183
Investments	5,135,969	6,773,249
Government grants receivable	464,608	574,093
Pledges receivable	577,800	1,201,748
<b>Total Financial Assets</b>	<b>11,059,218</b>	<b>13,761,273</b>
Less amounts not available to be used within one year:		
Net assets with donor restrictions for time or purpose	(4,769,442)	(5,514,023)
Net assets without donor restrictions board-designated	(329,863)	(238,614)
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b><u>\$ 5,959,913</u></b>	<b><u>\$ 8,008,636</u></b>

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 3—Investments and Fair Value Measurements**

Investments are carried at fair value, as based on quoted market prices for these instruments. Donated investments are recorded at the estimated fair value at the donation date. Unrealized gains and losses are reported on the statement of activities. Marketable securities consist of the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Fixed income funds	\$ 3,469,534	\$ 5,216,717
Equity funds	1,605,166	849,881
Exchange traded funds	61,269	68,533
Bond funds		638,118
<b>Totals</b>	<b><u>\$ 5,135,969</u></b>	<b><u>\$ 6,773,249</u></b>

Investment activity for the years ended June 30, 2025 and 2024 consists of the following:

	<b>2025</b>	<b>2024</b>
Unrealized gains on investments	\$ 226,070	\$ 216,491
Realized gains on investments	1,513	
<b>Investment Returns, Net</b>	<b>227,583</b>	<b>216,491</b>
Interest and dividend income	402,996	439,950
<b>Total Return on Investment</b>	<b><u>\$ 630,579</u></b>	<b><u>\$ 656,441</u></b>

In determining the fair value of assets and liabilities, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Organization determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Organization at the measurement date.

Level 2—Valuations based on observable inputs (other than Level 1), such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement, and involve management judgment.

The Organization may utilize a practical expedient for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value. The practical expedient used by the Organization to value private investments is the Net Asset Value (NAV) per share, or its equivalent. In some instances, the NAV may not equal the fair value that would be calculated under fair value accounting standards. The Organization had no assets or liabilities classified at NAV as a practical expedient during the years ended June 30, 2025 and 2024.

The Organization's investments consist of fixed income funds, bond funds, equity funds and exchange traded funds, all which are valued at the closing price reported on the active market in which the funds are traded.

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 3—Investments and Fair Value Measurements—Continued**

Assets and liabilities measured at fair value on a recurring basis at June 30, 2025 consist of the following:

	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Fixed income funds	\$ 3,469,534	\$ 3,469,534	\$	\$
Equity funds	1,605,166	1,605,166		
Exchange traded funds	61,269	61,269		
<b>Totals</b>	<b>\$ 5,135,969</b>	<b>\$ 5,135,969</b>	<b>\$</b>	<b>\$</b>

Assets and liabilities measured at fair value on a recurring basis at June 30, 2024 consist of the following:

	<b>Fair Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Fixed income funds	\$ 5,216,717	\$ 5,216,717	\$	\$
Equity funds	849,881	849,881		
Bond funds	638,118	638,118		
Exchange traded funds	68,533	68,533		
<b>Totals</b>	<b>\$ 6,773,249</b>	<b>\$ 6,773,249</b>	<b>\$</b>	<b>\$</b>

**Note 4—Fixed Assets, Net**

Fixed assets at June 30, 2025 and 2024 consist of the following:

	<b>2025</b>	<b>2024</b>
Land	\$ 993,669	\$ 993,669
Building and building improvements	4,874,297	5,689,668
Furniture and equipment	944,420	935,642
Leasehold improvements	60,000	60,000
<b>Total Fixed Assets</b>	<b>6,872,386</b>	<b>7,678,979</b>
Less accumulated depreciation	(5,163,121)	(5,306,459)
<b>Fixed Assets, Net</b>	<b>\$ 1,709,265</b>	<b>\$ 2,372,520</b>

Depreciation expense was \$97,297 and \$92,781 for the years ended June 30, 2025 and 2024, respectively. During the year ended June 30, 2025, the Organization determined that the soaring New Building Project costs became unfeasible and the strategy was changed to purchasing a second existing building to achieve expansion goals. As a result, the Organization will write-off the funds spent in the prior four years relating to the new building expenses, resulting in a net loss of \$1,908,417.

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 5—Deferred Revenue**

Deferred revenue at June 30, 2025 and 2024 consists of the following:

	<b>2025</b>	<b>2024</b>
Child development program contracts	\$ 70,820	\$ 116,466
Economic Mobility for All *	594,407	
<b>Totals</b>	<b>\$ 70,820</b>	<b>\$ 710,873</b>

\*The Organization received an advance in the amount of \$5,000,000 from the California Workforce Development Board (a State agency) in May 2022 for the purposes of the Economic Mobility for All initiative. Through this project, the Organization will expand their existing services to reach more people across the Bay Area and create new and innovative programs to assist their graduates on their path to economic mobility. As of June 30, 2025, \$594,407 has been earned. There was no deferred revenue relating to this program at June 30, 2025.

**Note 6—Finance and Operating Lease Obligations**

On June 30, 2020, the Organization entered into a finance lease agreement with PNC Equipment Finance for office equipment that expires in June 2025. The lease requires monthly payments of \$4,897 and bears interest at approximately 6% per annum. In April 2025, the Organization entered into an additional finance lease agreement for office equipment that expires in 2030. The lease requires monthly payments of \$5,789, and bears interest at approximately 6% per annum.

Future minimum annual rental commitments by year for these finance leases at June 30, 2025 are as follows:

<b><u>Year Ending June 30,</u></b>		
2026	\$ 69,468	
2027	69,468	
2028	69,468	
2029	69,468	
2030	<u>52,101</u>	
	<b>Gross Payments</b>	<b>329,973</b>
Less effect of discounting	<u>(43,474)</u>	
	<b>Finance Lease Liability</b>	<b><u>\$ 286,499</u></b>

On September 1, 2017, the Organization entered into a 10-year operating lease agreement for facility space, expiring August 2027. The lease requires monthly payments of \$3,235, and will increase by 3% per year.

Additionally, the Organization entered into an operating lease agreement for a dish machine under a two-year term in February 2024. The lease includes monthly payments of \$155, expiring in 2026.

At June 30, 2025, the balance of the operating lease right-of-use asset and the related liability amounted to \$95,058 and \$106,420, respectively.

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 6—Finance and Operating Lease Obligations—Continued**

Future minimum annual rental commitments by year for these operating leases at June 30, 2025 are as follows:

<b><u>Year Ending June 30,</u></b>	
2026	\$ 50,177
2027	50,405
2028	<u>8,442</u>
	<b>Gross Rental Payments</b> <u>109,024</u>
Less effect of discounting	<u>(2,604)</u>
	<b>Operating Lease Liability</b> <u><u>\$ 106,420</u></u>

Finance and operating lease expenses for the year ended June 30, 2025 totaled \$46,363 and \$17,367, respectively, and are included in occupancy and equipment and rental on the statement of functional expenses. Finance and operating lease expenses for the year ended June 30, 2024 totaled \$58,764 and \$67,855, respectively, and are included in occupancy and equipment and rental on the statement of functional expenses.

**Note 7—Note Payable**

In December 1993, the Organization obtained a secured note payable with San Mateo County in the amount of \$300,000, with no interest, payable in full (plus 10% of the realized appreciation of property) in February 2024 or upon sale of the property. The note is collateralized by the building located at 1200 O'Brien Drive, Menlo Park. A condition of the loan is that the Organization must provide space in their facility to a specified third party, free of rent. In lieu of interest, the Organization will pay to San Mateo County 10% of the realized appreciation of the property upon disposition. On September 1, 2015, the note was amended to state that upon maturity of the note, the entirety of the loan shall be forgiven provided that the Organization has continuously met all conditions of the agreement. The note payable was forgiven during the year ended June 30, 2024.

**Note 8—Capital Campaign**

The Capital Campaign fund was started during the fiscal year ended June 30, 2020 to raise funds for a new building project. The Organization originally planned to construct an East Palo Alto Center that would expand services delivered and develop a new Innovation Center, Employer Partnership Center, and Replication Hub for Regional Expansion. During the year ended June 30, 2025, due to increased projected costs for the East Palo Alto Center, ceased construction to the Center and focused the Capital Campaign expansion efforts in a different direction. Subsequent to June 30, 2025, the Organization purchased an existing facility in Menlo Park to expand services. The Organization continues to raise funds through the Capital Campaign to support the newly acquired building. The new facility will serve as an expanded site for the Organization's workforce development programs and will undergo renovations prior to occupancy to support the delivery of career pathway training services.

Capital Campaign assets consist of the following at June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 2,917,012	\$ 2,979,662
Pledges receivable	<u>750,000</u>	
<b>Total Capital Campaign Assets</b>	<b><u>\$ 2,917,012</u></b>	<b><u>\$ 3,729,662</u></b>

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 8—Capital Campaign—Continued**

Following is a schedule of Capital Campaign activity for the years ended June 30, 2025 and 2024, respectively:

	<b>Net Assets Subject to Restrictions</b>	<b>Net Assets Without Restrictions</b>	<b>Board- Designated Net Assets Without Restrictions</b>	<b>Total</b>
<b>Balance at June 30, 2023</b>	<b>\$ 3,778,277</b>	<b>\$ 100,000</b>	<b>\$ 3,878,277</b>	
Contributions	15,714			15,714
Expenditures	(164,329)			(164,329)
<b>Balance at June 30, 2024</b>	<b>3,629,662</b>	<b>100,000</b>	<b>3,729,662</b>	
Contributions	200,000			200,000
Expenditures	(1,012,650)			(1,012,650)
<b>Balance at June 30, 2025</b>	<b>Balance at June 30, 2025</b>	<b>\$ 2,817,012</b>	<b>\$ 100,000</b>	<b>\$ 2,917,012</b>

**Note 9—Net Assets**

Net assets without donor restrictions as of June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Net assets without donor restrictions—undesignated	\$ 6,026,212	\$ 8,159,394
Net assets without donor restrictions—board-designated	229,863	238,614
Net assets without donor restrictions—board-designated, Capital Campaign	100,000	100,000
<b>Total Net Assets Without Donor Restrictions</b>	<b>\$ 6,356,075</b>	<b>\$ 8,498,008</b>

Net assets without donor restrictions are designated by the Board for a Facility Fund. As of June 30, 2025 and 2024, board designated net assets without donor restrictions are as follows:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents—Charles Schwab	\$	\$ 49,693
Investments—Charles Schwab	229,863	188,921
<b>Totals</b>	<b>\$ 229,863</b>	<b>\$ 238,614</b>

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 9—Net Assets—Continued**

Net assets with donor restrictions for the years ended June 30, 2025 and 2024 consist of the following:

	<b>2025</b>	<b>2024</b>
Subject to expenditure for specified purpose:		
Capital Campaign	\$ 2,817,012	\$ 2,879,662
21st Century Sustainability Fund	1,728,163	1,598,585
21st Century Initiative Fund	224,267	213,776
Career Training Program	72,000	
	<b>Total Subject to Expenditure for Specified Purposes</b>	<b>4,769,442</b>
	<b>4,764,023</b>	
Subject to time restrictions:		
Pledges receivable	577,800	451,748
Pledges receivable Capital Campaign	750,000	
	<b>Total Subject to Time Restrictions</b>	<b>577,800</b>
	<b>1,201,748</b>	
	<b>Total Net Assets With Donor Restrictions</b>	<b>\$ 5,347,242</b>
	<b>\$ 5,965,771</b>	

Net assets released from donor restrictions for the years ended June 30, 2025 and 2024 are as follows:

	<b>2025</b>	<b>2024</b>
Satisfaction of purpose restrictions:		
Career Training Programs	\$ 1,793,266	\$ 345,640
Capital Campaign	1,012,650	164,329
Supportive services	900,000	10,000
EPA Career Center	390,292	295,106
21st Century Sustainability Fund	59,831	31,212
Youth Services	34,000	
	<b>Total Satisfaction of Purpose Restrictions</b>	<b>4,156,039</b>
	<b>880,287</b>	
Satisfaction of passage of time:		
Pledges receivable	401,748	333,800
	<b>Total Net Assets Released from Donor Restrictions</b>	<b>\$ 4,557,787</b>
	<b>\$ 1,214,087</b>	

**Note 10—Concentrations and Contingencies**

The Organization, during the normal course of operating its business, may be subject to various lawsuits, licensing reviews, and government audits. Management believes that losses resulting from these matters, if any, would either be covered under the Organization's insurance policy or are immeasurable. Management further believes the losses, if any, would not have a material effect on the financial position of the Organization.

**JobTrain, Inc.**  
**Notes to Financial Statements—Continued**

**Note 11—In-Kind Contributions**

During the years ended June 30, 2025 and 2024, donated materials and services totaling \$128,279 and \$122,670 respectively, were received by the Organization and recorded in the statement of activities under the in-kind contributions caption, and in the respective expense captions in the statement of functional expenses listed below:

	<b>2025</b>	<b>2024</b>
Professional services	\$ 128,279	\$ 121,320
Supplies		1,350
<b>Totals</b>	<b><u>\$ 128,279</u></b>	<b><u>\$ 122,670</u></b>

Donated materials and services are used by the Organization for its program activities, general operations, fundraising activities. Contributed outside services comprise various professional services including landscaping, air conditioning maintenance services, and software services which would be normally paid for by the Organization. Contributed services are valued and reported at the invoiced amount provided by services providers and compared to similar services. The Organization values donated materials on the basis of estimates of wholesale values that would be received for purchasing similar products. In-kind contributions were received without donor-imposed restrictions.

**Note 12—Retirement Plan**

The Organization has a defined contribution plan under Section 403(b) of the Internal Revenue Code, (the Plan) for all employees with 1,000 hours of service during a full year. The Organization contributes up to 4% of gross salaries for all eligible employees, as defined, on a monthly basis. Pension expense related to the Plan was \$124,758 and \$118,135 for the years ended June 30, 2025 and 2024, respectively.

**Note 13—Related Party Activity**

The Organization used the service of a company at which a board member is a key employee, to perform air conditioning repairs during the years ended June 30, 2025 and 2024 which totalled \$7,312 and \$12,500, respectively. The transaction was considered to be at arm's length.

**Note 14—Subsequent Events**

Management evaluated all activities of the Organization through December 12, 2025, which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.

**JobTrain, Inc.**  
**Schedule of Expenditures of Federal and State Awards**  
**Year Ended June 30, 2025**

JobTrain, Inc.

Schedule of Expenditures of Federal and State Awards—Continued

Year Ended June 30, 2025

Department/Program Title/ Pass-Through Agency	Federal Assistance Listing Number	Grantor's Number	Contract Period	Federal Award	State Award	Total Contract Award	Federal Program Expenditures	State Program Expenditures
<b>Department of Treasury</b>								
COVID-19—Coronavirus State and Local Fiscal Recovery Funds Passed-through: County of San Mateo North Fair Oaks Economic Advancement Center	21.027	079419	2/1/23-3/31/25	\$ 680,883	\$ 680,883	\$ 680,883	\$ 254,894	\$ _____
						<b>Total Assistance Listing No. 21.027</b>	<b>254,894</b>	<b>_____</b>
						<b>Total Department of Treasury</b>	<b>254,894</b>	<b>_____</b>
<b>Department of Health and Human Services</b>								
NIEHS Hazardous Waste Worker Health and Safety Training Passed-through: Center to Protect Workers Rights	93.142	2110-27-01	6/1/24-5/31/25	171,890	171,890	171,890	158,039	_____
						<b>Total Assistance Listing No. 93.142</b>	<b>158,039</b>	<b>_____</b>
<b>CCDF Cluster</b>								
Child Care and Development Grant Passed-through: California Department of Education California State Preschool Program (CSPP)- Assembly Bill 131-ARPA (Early Education: ARP California State Preschool Program One-time Stipend)	93.575	PCA15640	7/1/22-6/30/25	6,000	6,000	6,000	6,000	6,000
California State Preschool Program (CSPP)- Assembly Bill 185-ARPA (Early Education: ARP California State Preschool Program Rate Supplement)	93.575	PCA15641	7/1/23-6/30/25	22,904	22,904	22,904	22,904	22,904
California State Preschool Program Temporary Rate Increase Allocation (AB110) (Early Education ARP California State Preschool Rate Reform)	93.575	PCA15642	7/1/23-6/30/25	61,260	61,260	61,260	61,260	61,260

JobTrain, Inc.

Schedule of Expenditures of Federal and State Awards—Continued

Year Ended June 30, 2025

Federal Department/ Federal Program Title/ Pass-Through Agency	Federal Assistance Listing Number	Grantor's Number	Contract Period	Federal Award	State Award	Total Contract Award	Federal Program Expenditures	State Program Expenditures
<b>Department of Health and Human Services (cont'd)</b>								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund								
Passed-through:								
California Department of Education								
General Child Care & Development Programs	N/A	CSPP2512	7/1/22-6/30/23	\$ 603,586	\$ 603,586	\$ 603,586	\$ 48,989	\$ 48,989
General Child Care & Development Programs	N/A	CSPP4516	7/1/24-6/30/25	603,042	603,042	603,042	603,042	603,042
		<b>Total CCDF Cluster Assistance Listing Nos. 93.489, 93.575, and 93.596</b>						<b>90,164</b>
		<b>Total Department of Health and Human Services</b>						<b>248,203</b>
		<b>Total Federal and State Awards</b>						<b>\$ 934,089</b>
								<b>\$ 652,031</b>

See accompanying notes to schedule of expenditures of federal awards.

**JobTrain, Inc.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2025**

**Note A—Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**Note B—Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the schedule represent adjustments or credits made in the normal course of operations to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**Note C—Indirect Cost Rate**

The Organization elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance on certain contracts.

**JobTrain, Inc.**

**Supplementary Information Required by California Department of Education (CDE)**

**Combining Statement of Activities**

**Year Ended June 30, 2025**

	<b>CSPP 4516</b>	<b>Non-CDE Programs</b>	<b>Total</b>
<b>Operating Activities</b>			
<b>Public Support and Revenue</b>			
Contributions			
Government grants	\$ 6,589	\$ 3,133,477	\$ 3,140,066
Childcare and development programs	742,195		742,195
Childcare Food Program	5,551		5,551
Family fees - certified children	1,873		1,873
Foundation/corporate contributions		4,350,059	4,350,059
Individual contributions	154	1,097,919	1,098,073
In-kind contributions—Note 12	19,729	108,550	128,279
Special events			
Gross revenue		397,211	397,211
Less cost of direct benefits to donors		(215,097)	(215,097)
	<b>Special Events, Net</b>	<b>182,114</b>	<b>182,114</b>
	<b>Total Support</b>	<b>776,091</b>	<b>8,872,119</b>
			<b>9,648,210</b>
Interest income		402,996	402,996
Contract service income	24,938	403,354	428,292
Miscellaneous income		37,942	37,942
	<b>Total Revenue</b>	<b>24,938</b>	<b>844,292</b>
			<b>869,230</b>
<b>Total Public Support, Revenue, and Releases from Restrictions</b>			
		<b>801,029</b>	<b>9,716,411</b>
			<b>10,517,440</b>
<b>Expenses</b>			
Salaries	417,566	6,028,553	6,446,119
Employee benefits	104,623	1,301,893	1,406,516
Payroll taxes	35,466	506,514	541,980
	<b>Total Payroll-Related Expense</b>	<b>557,655</b>	<b>7,836,960</b>
			<b>8,394,615</b>

**JobTrain, Inc.****Supplementary Information Required by California Department of Education (CDE)****Combining Statement of Activities—Continued****Year Ended June 30, 2025**

	<b>CSPP 4516</b>	<b>Non-CDE Programs</b>	<b>Total</b>
<b>Expenses—cont'd</b>			
Advertising	\$ 36,375	\$ 36,375	\$ 36,375
Client expenses	26,087	242,853	268,940
Client training	1,544	593,583	595,127
Depreciation	13,028	84,269	97,297
Equipment rental and maintenance	7,000	285,820	292,820
Insurance	9,612	88,014	97,626
Interest expense	946	14,727	15,673
Miscellaneous expenses	774	88,401	89,175
Occupancy	3,093	148,605	151,698
Postage and mailing expense		545	545
Professional services		57,522	57,522
Staff training and travel	2,118	66,959	69,077
Supplies and services	82,691	858,756	941,447
Taxes, licenses and fees	8,813	187,274	196,087
Utilities	35,647	257,397	293,044
<b>Total Expenses</b>	<b>749,008</b>	<b>10,848,060</b>	<b>11,597,068</b>
<b>Change in Net Assets from Operating Activities</b>	<b>52,021</b>	<b>(1,131,649)</b>	<b>(1,079,628)</b>
<b>Nonoperating Activities</b>			
Investment returns, net		227,583	227,583
Loss on disposal—Note 5		(1,908,417)	(1,908,417)
<b>Change in Net Assets from Nonoperating Activities</b>		<b>(1,680,834)</b>	<b>(1,680,834)</b>
<b>Change in Net Assets</b>	<b>\$ 52,021</b>	<b>\$ (2,812,483)</b>	<b>\$ (2,760,462)</b>

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.****Supplementary Information Required by California Department of Education (CDE)****Schedule of Expenditures by State Categories****Year Ended June 30, 2025**

<b>Expenditures</b>	<b>CSPP 4516</b>	<b>Total</b>
1000 Certificated salaries	\$ 268,663	\$ 268,663
2000 Classified salaries	148,903	148,903
3000 Employee benefits	133,500	133,500
4000 Books and supplies	1,544	1,544
5000 Services and other operating expenses	176,781	176,781
6500 Equipment Replacement	66,250	66,250
Depreciation on assets purchased with public funds	10,378	10,378
<b>Total Expenses Claimed for Reimbursement (a)</b>	<b>806,019</b>	<b>806,019</b>
Total supplemental expenses	6,589	6,589
<b>Total Expenditures</b>	<b>\$ 812,608</b>	<b>\$ 812,608</b>

(a) Any food expenses have been allocated to the appropriate contacts.

We have examined the claims filed for reimbursement and the original records supporting the transactions recorded under the contract listed above to an extent considered necessary to assure ourselves that the amounts claimed by the contractor were eligible for reimbursement, reasonable, necessary, and adequately supported, according to governing laws, regulations, and contract provisions.

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.****Supplementary Information Required by California Department of Education (CDE)****Reconciliation of CDE and GAAP Expense Reporting****Year Ended June 30, 2025**

<b>Expenses</b>	<b>CSPP 4516</b>	<b>Total</b>
Schedule of Expenditures by State Categories (CDE)	\$ 812,608	\$ 812,608
Adjustments to reconcile differences in reporting:		
Depreciation on assets purchased with public funds	2,650	2,650
Capitalized equipment expensed on AUD forms	(66,250)	(66,250)
	<b>Subtotal</b>	<b>(63,600)</b>
	<b>Combining Statement of Activities (GAAP)</b>	<b>\$ 749,008</b>

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.****Supplementary Information Required by California Department of Education (CDE)****Schedule of Claimed Equipment Expenditures****Year Ended June 30, 2025**

	<b>CSPP 4516</b>	<b>Total</b>
<b>Capitalized Equipment Expensed on the AUD with prior Written Approval</b>		
Preschool Playground	\$ 66,250	\$ 66,250
	<b>Subtotal</b>	<b>66,250</b>
<b>Capitalized Equipment Expensed on the AUD without prior Written Approval</b>		
None		
	<b>Subtotal</b>	<b>66,250</b>
	<b>Total Expenditures</b>	<b>66,250</b>

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.**  
**Supplementary Information Required by California Department of Education (CDE)**  
**Schedule of Claimed Expenditures for Renovations and Repairs**  
**Year Ended June 30, 2025**

<b>Reimbursable Expenditures for Renovations and Repairs</b>	<b>CSPP 4516</b>	<b>Total</b>
<u>Unit Cost Under \$10,000 Per Item</u>		
None	\$ _____	\$ _____
	<b>Subtotal</b>	
<u>Unit Cost Over \$10,000 per Purchase With Prior Written Approval</u>		
None	_____	_____
	<b>Subtotal</b>	
<u>Unit Cost Over \$10,000 per Purchase Without Prior Written Approval</u>		
None	_____	_____
	<b>Subtotal</b>	
	<b>Total Expenditures</b>	<b>\$</b> _____

Note: The Organization's capitalization threshold is \$1,000 or more.

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.****Supplementary Information Required by California Department of Education (CDE)****Schedule of Claimed Administrative Costs****Year Ended June 30, 2025**

<b>Reimbursable Administrative Costs</b>	<b>CSPP 4516</b>	<b>Total</b>
Salaries	\$ 18,454	\$ 18,454
Employee benefits	5,900	5,900
Books and supplies	68	68
Services and other operating expenses	7,813	7,813
<b>Total Expenditures</b>	<b>\$ 32,235</b>	<b>\$ 32,235</b>

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.**

**Supplementary Information Required by California Department of Education (CDE)**

**Schedule of Claimed Start-Up Expenses**

**Year Ended June 30, 2025**

<b>Reimbursable Start-Up Expenses</b>	<b>CSPP 4516</b>	<b>Total</b>
1000 Certificated salaries	\$	\$
2000 Classified salaries		
3000 Employee benefits		
4000 Books and supplies		
5000 Services and other operating expenses		
	<b>Subtotal</b>	
6100/6200 Other approved capital outlay		
	<b>Total Expenditures</b>	<b>\$</b>

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.****Supplementary Information Required by California Department of Education (CDE)****Schedule of Claimed Budget Impasse Credit Expenses****Year Ended June 30, 2025**

<b>Expenditures</b>	<b>CSPP 3523</b>	<b>Total</b>
1000 Certificated salaries	\$	\$
2000 Classified salaries		
3000 Employee benefits		
4000 Books and supplies		
5000 Services and other operating expenses		
	<b>Subtotal</b>	
6100/6200 Other approved capital outlays		
4000 New equipment		
4000 Replacement equipment		
	<b>Total Claimed Budget Impasse Credit Expenses</b>	<b>\$</b>

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)  
 Schedule of Reported, Adjusted and Allowed Meals and Earned Reimbursement  
 Agreement No: 41-1663-3A  
 Year Ended June 30, 2025

Fixed Percentage Method

Federal Meal Compensation	Meals			Food Services Rates	Revenue Recognized	Audit Adjustments	Earned Reimbursement
	Reported	Adjusted	Allowed				
<b>Breakfast</b>							
Free	299		299	\$ 2.37	\$ 709	\$	\$ 709
Reduced	170		170	2.07	352		352
Base	961		961	0.39	375		375
	<b>Total</b>	<b>1,430</b>	<b>1,430</b>		<b>1,435</b>		<b>1,435</b>
<b>Lunch</b>							
Free	345		345	4.43	1,528		1,528
Reduced	216		216	4.03	870		870
Base	1,147		1,147	0.42	482		482
	<b>Total</b>	<b>1,708</b>	<b>1,708</b>		<b>2,881</b>		<b>2,881</b>
<b>Supplements</b>							
Free	258		258	1.21	312		312
Reduced	151		151	0.60	91		91
Base	882		882	0.11	97		97
	<b>Total</b>	<b>1,291</b>	<b>1,291</b>		<b>500</b>		<b>500</b>
<b>Total Federal Meal Reimbursement</b>							
Cash-in-Lieu	<u>1,708</u>		<u>1,708</u>	0.30	<u>512</u>		<u>512</u>
State Meal Reimbursement	<u>1,030</u>		<u>1,030</u>	0.22	<u>222</u>		<u>222</u>
	<b>Total Federal and State Reimbursement</b>				<b>\$ 5,551</b>	<b>\$</b>	<b>\$ 5,551</b>
<b>Total Program Reimbursement Overpaid - Refund Due to the State</b>							
						<u>\$ -</u>	

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.**  
**Supplementary Information Required by California Department of Education (CDE)**  
**Summary of Claim**  
**Agreement No. 41-1663-3A**  
**Year Ended June 30, 2025**

	<b>Allowed</b>	<b>Paid</b>	<b>Variance</b>
Federal Fund Reimbursement Variance (Overpaid)	\$ 4,816	\$ 4,816	\$
Cash-In-Lieu Reimbursement	512	512	
State Meal Reimbursement	222	222	
<b>Total Program Reimbursement (State and Federal)</b>			<u>\$</u>

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.**  
**Supplementary Information Required by California Department of Education (CDE)**  
**Statement of Claim**  
**Agreement No. 41-1663-3A**  
**Year Ended June 30, 2025**

Reimbursement per Examination	\$ 5,551
Less: Program Reimbursements Claimed and Recorded	<u>5,551</u>
	<b>Amount Due From Agency</b> <u><u>\$</u></u>

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted and Allowed Meals and Earned Reimbursement

Agreement No: 41-1663-3A

For The Period From July 1, 2024 Through September 30, 2024

Fixed Percentage Method

	July 2024			August 2024			September 2024		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<b>Breakfast</b>									
Free	36		36	29		29	33		33
Reduced	24		24	10		10	11		11
Base	36		36	19		19	21		21
<b>Subtotal</b>	<b>96</b>		<b>96</b>	<b>58</b>		<b>58</b>	<b>65</b>		<b>65</b>
<b>Lunch</b>									
Free	38		38	30		30	33		33
Reduced	25		25	10		10	11		11
Base	37		37	19		19	21		21
<b>Subtotal</b>	<b>100</b>		<b>100</b>	<b>59</b>		<b>59</b>	<b>65</b>		<b>65</b>
<b>Supplements</b>									
Free	24		24	22		22	22		22
Reduced	16		16	7		7	7		7
Base	23		23	15		15	14		14
<b>Subtotal</b>	<b>63</b>		<b>63</b>	<b>44</b>		<b>44</b>	<b>43</b>		<b>43</b>

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted And Allowed Meals And Earned Reimbursement—Continued

Agreement No: 41-1663-3A

For The Period From October 1, 2024 Through December 31, 2024

Fixed Percentage Method

	October 2024			November 2024			December 2024		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<b>Breakfast</b>									
Free	18		18	13		13	12		12
Reduced									
Base	110		110	75		75	69		69
<b>Subtotal</b>	<b>128</b>		<b>128</b>	<b>88</b>		<b>88</b>	<b>81</b>		<b>81</b>
<b>Lunch</b>									
Free	19		19	14		14	13		13
Reduced									
Base	112		112	86		86	77		77
<b>Subtotal</b>	<b>131</b>		<b>131</b>	<b>100</b>		<b>100</b>	<b>90</b>		<b>90</b>
<b>Supplements</b>									
Free	15		15	11		11	11		11
Reduced									
Base	90		90	66		66	64		64
<b>Subtotal</b>	<b>105</b>		<b>105</b>	<b>77</b>		<b>77</b>	<b>75</b>		<b>75</b>

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted And Allowed Meals And Earned Reimbursement—Continued

Agreement No: 41-1663-3A

For The Period From January 1, 2025 Through March 31, 2025

Fixed Percentage Method

	January 2025			February 2025			March 2025		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<b>Breakfast</b>									
Free	26		26	26		26	30		30
Reduced									
Base	93		93	92		92	104		104
<b>Subtotal</b>	<b>119</b>		<b>119</b>	<b>118</b>		<b>118</b>	<b>134</b>		<b>134</b>
<b>Lunch</b>									
Free	28		28	31		31	37		37
Reduced									
Base	100		100	107		107	129		129
<b>Subtotal</b>	<b>128</b>		<b>128</b>	<b>138</b>		<b>138</b>	<b>166</b>		<b>166</b>
<b>Supplements</b>									
Free	23		23	25		25	30		30
Reduced									
Base	82		82	86		86	106		106
<b>Subtotal</b>	<b>105</b>		<b>105</b>	<b>111</b>		<b>111</b>	<b>136</b>		<b>136</b>

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted And Allowed Meals And Earned Reimbursement—Continued

Agreement No: 41-1663-3A

For The Period From April 1, 2024 Through June 30,2024

Fixed Percentage Method

	April 2025			May 2025			June 2025		
	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed	Reported	Adjusted	Allowed
<b>Breakfast</b>									
Free	24		24	28		28	24		24
Reduced	36		36	42		42	47		47
Base	110		110	125		125	107		107
<b>Subtotal</b>	<b>170</b>		<b>170</b>	<b>195</b>		<b>195</b>	<b>178</b>		<b>178</b>
<b>Lunch</b>									
Free	32		32	37		37	33		33
Reduced	49		49	55		55	66		66
Base	146		146	166		166	147		147
<b>Subtotal</b>	<b>227</b>		<b>227</b>	<b>258</b>		<b>258</b>	<b>246</b>		<b>246</b>
<b>Supplements</b>									
Free	27		27	28		28	20		20
Reduced	40		40	42		42	39		39
Base	121		121	127		127	88		88
<b>Subtotal</b>	<b>188</b>		<b>188</b>	<b>197</b>		<b>197</b>	<b>147</b>		<b>147</b>

See accompanying auditor's reports and notes to financial statements.

JobTrain, Inc.

Supplementary Information Required by California Department of Education (CDE)

Schedule of Reported, Adjusted and Allowed Eligibility

Agreement No: 41-1663-3A

For the Period July 1, 2023 to June 30, 2024

Fixed Percentage Method

	<u>July</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>
<b><u>Eligibility Total</u></b>												
Reported	8	6	6	7	7	7	9	9	9	14	14	15
Adjusted												
Allowed	8	6	6	7	7	7	9	9	9	14	14	15
<b>Free</b>												
Reported	3	3	3	1	1	1	2	2	2	2	2	2
Adjusted												
Allowed	3	3	3	1	1	1	2	2	3	3	3	3
<b>Reduced</b>												
Reported	2	1	1							3	3	4
Adjusted												
Allowed	2	1	1							3	3	4
<b>Base</b>												
Reported	3	2	2	6	6	6	7	7	7	9	9	9
Adjusted												
Allowed	3	2	2	6	6	6	7	7	7	9	9	9

See accompanying auditor's reports and notes to financial statements.

**JobTrain, Inc.**

**Notes to Child Care and Development Program Supplementary Information**

**June 30, 2025**

In accordance with the applicable requirements from the funding terms and conditions:

- Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. There was no interest expense claimed to a child development contract for the year ended June 30, 2025.
- All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There are no related party rent transactions claimed to a child development contract for the year ended June 30, 2025.
- Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2025.

Contractor Name: JobTrain, Inc.

Contract Number: CSPP4516

**California Department of Education  
Audited Enrollment, Attendance, and Fiscal  
Report for California State Preschool Program**

Fiscal Year Ended: June 30, 2025

Vendor Code: M3220

**Section 1 – Number of Counties Where Services are Provided**

Number of counties where the agency provided services to certified children (Form 1): **1**

Number of counties where the agency provided mental health consultation services to certified children (Form 2):

Number of counties where the agency provided services to non-certified children (Form 3):

Number of counties where the agency provided mental health consultation services to non-certified children (Form 4):

Total enrollment and attendance forms to attach: **1**

Note: For each of the above categories, submit one form for each service county.

**Section 2 – Days of Enrollment, Attendance and Operation**

Enrollment and Attendance Form Summary	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Total Certified Days of Enrollment	2,124	0	2,124	2,743.2000
Total Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000
Days of Attendance (including MHCS)	2,124	0	2,124	N/A
Total Non-Certified Days of Enrollment	0	0	0	0.0000
Total Non-Certified Days of Enrollment with Mental Health Consultation Services	0	0	0	0.0000

Days of Operation	Column A Cumulative FY per CPARIS	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjusted Days per Audit
Days of Operation	242		242	N/A

**Section 3 – Revenue**

Restricted Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Child Nutrition Programs	5,217	334	5,551
Exceptional Needs/Severely Disabled Service Level Exemption Credit		24,920	24,920
County Maintenance of Effort (EC Section 8260)			0
American Rescue Plan Act (ARPA)	66,250	23,914	90,164
Other: Inkind Donation		19,729	19,729
Other: Contribution for Community Liaison Activities		24,938	24,938
<b>TOTAL RESTRICTED INCOME</b>	<b>71,467</b>	<b>93,835</b>	<b>165,302</b>

Transfer from Reserve	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Transfer from Preschool Reserve Account			0

Other Income	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Family Fees for Certified Children	1,873		1,873
Interest Earned on Apportionment Payments			0
Unrestricted Income: Fees for Non-Certified Children			0
Unrestricted Income: Head Start			0
Other: Individual Donation		154	154

## Section 4 - Reimbursable Expenses

Cost Category	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Direct Payments to Providers (FCCH only)			0
Direct Payments to Subcontractors: Cost of Care Plus & One-Time Allocations Only			0
1000 Certificated Salaries	268,663		268,663
2000 Classified Salaries	148,903		148,903
3000 Employee Benefits	125,515	7,985	133,500
4000 Books and Supplies	1,544		1,544
5000 Services and Other Operating Expenses	156,120	20,661	176,781
6100/6200 Other Approved Capital Outlay			0
6400 New Equipment (program-related)			0
6500 Equipment Replacement (program-related)	66,250		66,250
6600 Lease Assets (used in governmental funds only)			0
Depreciation or Use Allowance		10,378	10,378
Start-up Expenses (service level exemption)			0
Indirect Costs (included in Total Administrative Cost)			0
<b>TOTAL REIMBURSABLE EXPENSES</b>	<b>766,995</b>	<b>39,024</b>	<b>806,019</b>

**Section 4 - Reimbursable Expenses (cont.)**

Specific Items of Reimbursable Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Administrative Cost (included in Reimbursable Expenses)		32,235	32,235
Total Staff Training Cost (included in Reimbursable Expenses)		2,118	2,118
<i>Total Program Closure Only (Management Bulletin 19-05)</i>			
Total Exceptional Needs/Severely Disabled Service Level Exception Credit Expense (included in Reimbursable Expenses)		24,920	24,920

**Section 5 - Supplemental Funding**

Supplemental Revenue	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Enhancement Funding			0
Other: QCSM	3,275	3,314	6,589
Other:			0
<b>TOTAL SUPPLEMENTAL REVENUE</b>	<b>3,275</b>	<b>3,314</b>	<b>6,589</b>

Supplemental Expenses	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
1000 Certificated Salaries	3,275	3,314	6,589
2000 Classified Salaries			0
3000 Employee Benefits			0
4000 Books and Supplies			0
5000 Services and Other Operating Expenses			0
6000 Equipment / Capital Outlay			0
Depreciation or Use Allowance			0
Indirect Costs			0
Non-Reimbursable Supplemental Expenses			0
<b>TOTAL SUPPLEMENTAL EXPENSES</b>	<b>3,275</b>	<b>3,314</b>	<b>6,589</b>

**Section 6 - Summary**

Description	Column A – Cumulative FY per CPARIS	Column B – Audit Adjustments	Column C – Cumulative FY per Audit
Total Certified Days of Enrollment (including MHCS)	2,124	0	2,124
Days of Operation	242	0	242
Days of Attendance (including MHCS)	2,124	0	2,124
Total Certified Adjusted Days of Enrollment	N/A	N/A	2,743.2000
Total Non-Certified Adjusted Days of Enrollment	N/A	N/A	0.0000
Restricted Program Income	71,467	93,835	165,302
Transfer from Preschool Reserve Account	0	0	0
Family Fees for Certified Children	1,873	0	1,873
Interest Earned on Apportionment Payments	0	0	0
Direct Payments to Providers	0	0	0
Start-up Expenses (service level exemption)	0	0	0
Total Reimbursable Expenses	766,995	39,024	806,019
Total Administrative Cost	0	32,235	32,235
Total Staff Training Cost	0	2,118	2,118
Total Exceptional Needs/Severely Disabled Service Level Exemption Credit Expenses (included in total Reimbursable Expenses)	0	24,920	24,920
Non-Reimbursable Cost (State Use Only)	N/A	N/A	

## Section 7 – Auditor's Assurances

Independent auditor's assurances on agency's compliance with the contract funding terms and conditions and program requirements of the California Department of Education, Early Education Division:

Eligibility, enrollment and attendance records are being maintained as required (Select YES or NO):  Yes  No

Reimbursable expenses claimed in Section 4 are eligible for reimbursement, reasonable, necessary, and adequately supported (Select YES or NO):  Yes  No

## Section 8 – Comments

Include any comments in the comment box. If necessary, attach additional sheets to explain adjustments.

# California State Preschool Program – Form 1

## Certified Children Days of Enrollment and Attendance

Service County: Please Select One

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.1240	0.0000
Two Years Old and Three Years Old Full-time	246		246	1.8000	442.8000
Two Years Old and Three Years Old Part-time			0	1.0892	0.0000
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time	558		558	1.0000	558.0000
Four Years and Older Part-time			0	0.6051	0.0000
Exceptional Needs Full-time-plus (Active IEP/IFSP Only)			0	2.8320	0.0000
Exceptional Needs Full-time (Active IEP/IFSP Only)	132		132	2.4000	316.8000
Exceptional Needs Part-time(Active IEP/IFSP Only)			0	1.4522	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time	1,188		1,188	1.2000	1,425.6000
Dual Language Learner Part-time			0	0.6051	0.0000

Contractor Name: JobTrain, Inc.

Contract Number: CSPP4516

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6051	0.0000
Severely Disabled Full-time-plus (Active IEP/IFSP Only)			0	2.8320	0.0000
Severely Disabled Full-time (Active IEP/IFSP Only)			0	2.4000	0.0000
Severely Disabled Part-time (Active IEP/IFSP Only)			0	1.4522	0.0000
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT</b>	<b>2,124</b>	<b>0</b>	<b>2,124</b>	N/A	<b>2,743.2000</b>

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
<b> DAYS OF ATTENDANCE</b>	<b>2,124</b>		<b>2,124</b>	N/A	N/A

Enter the sum of Total Certified Days of Enrollment from all Form 1s in the Total Certified Days of Enrollment line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

**California State Preschool Program – Form 2**  
**Certified Children Receiving Mental Health Consultation Services**  
**Days of Enrollment and Attendance**

**Service County: Please Select One**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.2240	0.0000
Two Years Old and Three Years Old Full-time			0	1.9000	0.0000
Two Years Old and Three Years Old Part-time			0	1.1892	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time			0	1.1000	0.0000
Four Years and Older Part-time			0	0.7051	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time			0	2.5000	0.0000
Exceptional Needs Part-time			0	1.5522	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time			0	1.3000	0.0000
Dual Language Learner Part-time			0	0.7051	0.0000

Contractor Name: JobTrain, Inc.

Contract Number: CSPP4516

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7051	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.5522	0.0000
<b>TOTAL CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A	<b>0.0000</b>

Attendance	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
<b> DAYS OF ATTENDANCE</b>			<b>0</b>	N/A	N/A

Enter the sum of Total Certified Days of Enrollment with Mental Health Consultation Services from all Form 2s in the Total Certified Days of Enrollment with Mental Health line of AUD 8501, Section 2.

Enter the sum of Days of Attendance from all Form 1s and Form 2s in the Days of Attendance line of AUD 8501, Section 2.

**California State Preschool Program – Form 3  
Non-Certified Children Days of Enrollment****Service County: Please Select One**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.1240	0.0000
Two Years Old and Three Years Old Full-time			0	1.8000	0.0000
Two Years Old and Three Years Old Part-time			0	1.0892	0.0000
Four Years and Older Full-time-plus			0	1.1800	0.0000
Four Years and Older Full-time			0	1.0000	0.0000
Four Years and Older Part-time			0	0.6051	0.0000
Exceptional Needs Full-time-plus			0	2.8320	0.0000
Exceptional Needs Full-time			0	2.4000	0.0000
Exceptional Needs Part-time			0	1.4522	0.0000
Dual Language Learner Full-time-plus			0	1.4160	0.0000
Dual Language Learner Full-time			0	1.2000	0.0000
Dual Language Learner Part-time			0	0.6051	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.2980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.1000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.6051	0.0000
Severely Disabled Full-time-plus			0	2.8320	0.0000
Severely Disabled Full-time			0	2.4000	0.0000
Severely Disabled Part-time			0	1.4522	0.0000
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A	<b>0.0000</b>

Enter the sum of Total Non-Certified Days of Enrollment from all Form 3s in the Total Non-Certified Days of Enrollment line of AUD 8501, Section 2.

**California State Preschool Program – Form 4**  
**Non-Certified Children Receiving Mental Health Consultation Services**  
**Days of Enrollment**

**Service County: Please Select One**

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
Two Years Old and Three Years Old Full-time-plus			0	2.2240	0.0000
Two Years Old and Three Years Old Full-time			0	1.9000	0.0000
Two Years Old and Three Years Old Part-time			0	1.1892	0.0000
Four Years and Older Full-time-plus			0	1.2800	0.0000
Four Years and Older Full-time			0	1.1000	0.0000
Four Years and Older Part-time			0	0.7051	0.0000
Exceptional Needs Full-time-plus			0	2.9320	0.0000
Exceptional Needs Full-time			0	2.5000	0.0000
Exceptional Needs Part-time			0	1.5522	0.0000
Dual Language Learner Full-time-plus			0	1.5160	0.0000
Dual Language Learner Full-time			0	1.3000	0.0000
Dual Language Learner Part-time			0	0.7051	0.0000

Enrollment Description	Column A Cumulative FY per CPARIS June Report	Column B Audit Adjustments	Column C Cumulative FY per Audit	Column D Adjustment Factor	Column E Adjusted Days per Audit
At Risk of Abuse or Neglect Full-time-plus			0	1.3980	0.0000
At Risk of Abuse or Neglect Full-time			0	1.2000	0.0000
At Risk of Abuse or Neglect Part-time			0	0.7051	0.0000
Severely Disabled Full-time-plus			0	2.9320	0.0000
Severely Disabled Full-time			0	2.5000	0.0000
Severely Disabled Part-time			0	1.5522	0.0000
<b>TOTAL NON-CERTIFIED DAYS OF ENROLLMENT WITH MENTAL HEALTH CONSULTATION SERVICES</b>	<b>0</b>	<b>0</b>	<b>0</b>	N/A	<b>0.0000</b>

Enter the sum of Total Non-Certified Days of Enrollment with Mental Health Consultation Services from all Form 4s in the Total Non-Certified Days of Enrollment with Mental Health Consultation Services line of AUD 8501, Section 2.

# Quigley & Miron

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Certified Public Accountants

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## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
**JobTrain, Inc.**  
Menlo Park, California

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of JobTrain, Inc. ("the Organization"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated December 12, 2025.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether JobTrain, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Twigley & Nixon". The signature is fluid and cursive, with "Twigley" on the top line and "& Nixon" on the bottom line.

Campbell, California  
December 12, 2025

Certified Public Accountants

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## **Independent Auditor's Report for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

Board of Directors  
**JobTrain, Inc.**  
Menlo Park, California

### **Report on Compliance for Each Major Federal Program**

#### *Opinion on Each Major Federal Program*

We have audited the compliance of JobTrain, Inc. (the Organization) with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on its major federal programs for the year ended June 30, 2025. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal award programs for the year ended June 30, 2025.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal programs.

*Auditor's Responsibilities for the Audit of Compliance*

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance, and the result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Campbell, California  
December 12, 2025

A handwritten signature in black ink that reads "Zwigley & Munson". The signature is fluid and cursive, with a large, stylized 'Z' at the beginning.

**JobTrain, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2025**

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Organization were prepared in accordance with accounting principles generally accepted in the United States of America.
2. No material weaknesses or significant deficiencies relating to internal control over financial reporting were identified during the audit.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to internal control over major programs were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award program of the Organization expresses an unmodified opinion.
6. There were no audit findings that required reporting in this schedule in accordance with Title 2 U.S. *Code of Federal Regulations* section 200.516(a).
7. The programs tested as major programs were the Department of Agriculture SNAP Cluster, Assistance Listing Nos. 10.551 and 10.561; the Department of Treasury COVID-19—Coronavirus State and Local Fiscal Recovery Funds, Assistance Listing No. 21.027.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Organization was determined not to be a low-risk auditee.

**B. Findings—Financial Statements Audit**

None

**C. Findings and Questioned Costs—Major Federal Award Program**

None

**JobTrain, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year Ended June 30, 2025**

**Finding 2024-001: Accounting for Contributions and Deferred Revenue**

Initial Occurrence: Prior audit finding 2024-001 initially occurred during the fiscal year ended June 30, 2024.

Status of Prior Audit Finding: Planned corrective action was completely implemented during the year ended June 30, 2025.

**JobTrain, Inc.**  
**Corrective Action Plan**  
**Year Ended June 30, 2025**

As there were no audit findings or questioned costs for the year ended June 30, 2025, a corrective action plan is not required.